

Real Estate CORNER

Stiff Competition Has Turned Home Buying Into an Auction

Buying or selling a home is a bit like going to an auction these days. Gone are the days of estimating the value of a home, then determining whether it might sell for a little over or a little under. When this was the norm, the list price was typically the ceiling of the negotiation and the actual sales price was often a bit lower than the asking price. Homes that sold well above list price with multiple offers and bidding wars were the exception rather than the norm.

Today is Different

Many things in real estate have changed over the past year or so, but the biggest change we've seen in today's market is the sheer number of homes selling over asking price - way over asking price. This is because high demand coupled with record low inventory has led to bidding wars and an extreme hike in prices across the country. According to Lawrence Yun, Chief Economist at the National Association of Realtors (NAR): "For every listing there are 5.1 offers. Half of the homes are being sold above list price."

What Does This Mean for You?

If you're a potential homebuyer, it means you'll likely be competing against other buyers and that you'll probably need to offer above the listing price. Instead of looking at the list price of a home as a ceiling, think of it as the reserve price at an auction. In most situations, it is actually the minimum the seller will accept. That's why we say today's home buying market is like an auction - the highest bidder wins. So, as a homebuyer

today, it's imperative to understand your budget and not look at homes at the top of your budget.

For example, if your budget is \$800,000 and you're looking at homes right at that price, you may find yourself losing out in bidding wars. It makes sense to look well below your maximum so that you have room to go up if you find yourself in competition with other buyers.

Is this Across Price Ranges?

While the sheer number of offers may be higher in entry-level price ranges, we are seeing multiple offers and bidding wars at every price point. And this kind of interest isn't just reserved for homes that are move-in ready. Recently we had a listing in Norwalk that hadn't been remodeled in decades and it fetched 38 offers with the winning bid at more than 10% above the list price. Meanwhile, our waterfront Naples fixer attracted 6 offers with the winning buyer agreeing to pay more than 20% above asking price.



What Can You Do?

Go into the process armed with knowledge and with an experienced agent by your side. Your agent should be able to help you navigate this market and help you find homes that are realistically in your budget. They can also help you anticipate multiple offers and what you need to do to make your offer stand out. Want to chat about your options or connect with a lender to figure out your budget? Give us a call at 562.896.2456 so we can come up with a game plan to help you navigate today's market!

JUST SOLD



Sold for \$775,000

925 Dawson Avenue

This Rose Park home sold with multiple offers for \$30,000 over asking price.



Sold for \$2,103,000

103 Rivo Alto Canal

This canalfront fixer sold for \$403,000 above the list price.



Sold for \$1,515,000

5420 E. Anaheim Road

This Park Estates home sold quickly and we represented the buyers too.

Ins & Outs of Buying a Vacation Home

Buying a vacation home can be the ultimate dream for some people. It's easy to daydream about buying a second home in a gorgeous beach town or in a remote area where you can get back to nature. However, in real life, it's not always that easy. Here are just a few things to consider before taking the plunge and buying that vacation home.

Cost Effectiveness

If you frequently go to the area where you want to buy your vacation home, then purchasing could actually save you money in the long run. Hotels aren't cheap, so depending on home prices in the area and how often you'll use the home, buying could be very cost effective. On the flip side, if you only vacation once in a while, then a vacation home can be a huge money suck and it may not even get much use.



Extra Costs

Don't forget that a second home also comes with a second set of costs like taxes, a mortgage, insurance, and utilities. Not to mention, day-to-day maintenance costs and sometimes, big repair costs like a new roof or new plumbing. If you want to customize your vacation home, then you need to take those costs into account as well, and financing a second home isn't nearly as easy as financing your primary home.

Renting Out Your Vacation Home

It can be tempting to look at a second home as another stream of income if you plan to rent it out. However, keep in mind that there's no guarantee your home will get rented. Thanks to Airbnb and VRBO, the rental market is extremely saturated right now, so you may not make as much money as you'd hope. And a number of places have short-term rental restrictions so be aware of those limitations before making a purchase. Furthermore, a lot of maintenance goes into rental properties. You can hire a property manager, but this will cut into your profits. It's important to really understand the bottom line before you even purchase your home, let alone rent it.

Head to [ShowMeHome.com](https://www.showmehome.com) and check out our blog and post on great spots to buy a vacation home near Long Beach!

How to Give Your Backyard a Vacation Vibe

Pick a Theme - While a tropical theme may be the obvious choice, consider going for a Moroccan feel with bright cushions and lanterns. Or, go for the sleek modern look with neutral colors and minimal furniture. Get creative and decide what vibe you want your backyard vacation to have.

Install a Fire Pit - Fire Pits are a great way to encourage more time outside. During colder months it's great for some extra warmth, but they can come in handy during the warm months too. After all, s'mores are delicious all year round!

Add Water Features - Even if you don't have a pool, consider adding some sort of water feature to your backyard. This could be a fountain, a small pond, or a hot tub. The soothing sound of water can be immediately relaxing. It can also drown out some of the stressful noises of home like loud neighbors or traffic.

Create an Outdoor Bar Cart - Nothing says vacation like your favorite drink! Purchase a bar cart and fill it with all your favorite drinks - alcoholic and otherwise. Don't forget fun accessories like little umbrellas, fruit slices, and of course, cups that fit your backyard theme. Don't forget the kids! Have ingredients handy for mocktails or Shirley Temples.



Local Spotlight:

Rancho Los Alamitos

Rancho Los Alamitos is a hidden gem located in the Bixby Hill neighborhood of Long Beach. The original ranch functioned in the 1800s and covered present-day eastern Long Beach, all of Los Alamitos and Rossmoor, and most of Seal Beach, Cypress, Stanton, and Garden Grove. In its heyday the ranch supplied a lot of beef to people who came to California hoping to strike it rich during the Gold Rush. However, its history goes back long before the 1800s. In fact, the site where the Rancho is today, was a sacred ceremonial spot dating back to 500 C.E. It was also an ancient trading village where the indigenous Tongva people lived.



The ranch was bought by John William Bixby in the early 1880s while he developed the town of Alamitos Beach (which eventually became part of Long Beach). The Bixby family continue to own the home for generations and used it to produce sugar beets. Family descendants finally donated the Rancho to the City of Long Beach in 1967.



Today, Rancho Los Alamitos takes up a little over 7 acres. You can visit the historic gardens and the historic ranch house that dates back to the early 1800s. There are also a number of animals still living on the Rancho including horses, chickens, and goats.

While Bixby Hill is a gated neighborhood, if you're visiting the Rancho you can enter the neighborhood and the Rancho itself for free. It's open to the public Wednesday through Sunday from 1PM to 5PM, but you do need to make reservations ahead of time. If you're not in the Long Beach area, or you'd like to share this landmark with out of area friends or family, the Rancho also has amazing online resources. You can take a virtual tour and explore the Rancho through photos and videos.

Rancho Los Alamitos is a great place to learn about historic ranches, but also, an opportunity to learn some history about Long Beach that you may not know!



Day Trips to Take from Long Beach

California may be a big state, but luckily, some of California's coolest spots are close enough to Long Beach that they can be great day trips. Here are some of our favorite areas to explore.

Temecula - If you're a wine lover then Temecula is a must visit! Located about an hour and a half from Long Beach, this city is home to over forty wineries and additional tasting rooms. If you're also a hot air balloon fan, then visiting the Temecula Valley Balloon & Wine Festival is another great day trip. Due to COVID, the festival has been postponed until 2022 so you'll have plenty of time to plan.

San Juan Capistrano - If you visit Rancho Los Alamitos and you're ready to learn more about California's history, then San Juan Capistrano is another great destination. It's only about 45 minutes away and is home to one of California's famous missions. Mission San Juan Capistrano dates all the way back to the 1770s and can still be visited today. After your visit, you can eat at one of the many restaurants within walking distance of the mission.



Malibu - Malibu is a classic day trip to Long Beach and a favorite when exploring with out-of-towners. Visit one of Malibu's beaches and keep an eye out for its famous residents including Halle Berry, Will Smith, and Patrick Dempsey. While you're in Malibu, a meal at Malibu Farm Pier Cafe is a must for its delicious food and stunning ocean views.

Carlsbad - Carlsbad is a longer day trip because it's about two hours away from Long Beach. Carlsbad is right on the beach so you can enjoy some time outside and catch some actual waves - not like the ones we have in Long Beach! For the kiddos, their highlight will definitely be Legoland! Not only is it an amusement park, but there is also an aquarium and a water park.

CalBRE License 01464124



Shannon Jones

Licensed Real Estate
Salesperson
CalBRE#01247705



Brad Jones

Licensed Real Estate
Salesperson
CalBRE#01394310

THE BEST MOVE YOU'LL EVER MAKE!

(562)896-2456 | ShowMeHome.com

6621 E. Pacific Coast Highway #150 Long Beach, CA 90803

Best Herbs to Plant in Your Summer Garden

We may be in July already, but it's not too late to add some herbs to your garden! Basil, dill, and rosemary will actually grow quite well in the summer months. What's great about these herbs is how quickly they grow. While vegetables planted in July will take some time to be ready for harvest, these herbs can be ready much sooner.



Generally, herbs are also very bountiful, so even if you don't have much space for your garden, you should still have plenty of herbs. If you're interested in getting a container garden started, check out our blog post at ShowMeHome.com.

Don't forget to water your plants often during the summer. Not only can the heat dry them out, but they are also growing quickly and therefore, need more water. Be careful not to overwater though, and remember

to give your herbs lots of sunshine. It's also important not to give them any fertilizer.

While herbs are great for cooking, don't forget to add them into your summer drinks as well. Many cocktails use herbs but they can also be great for creating a refreshing herbal iced tea that's perfect for warm summer months.

Bruschetta

Bruschetta is a simple, classic receipt that's perfect for showcasing your homegrown basil. If you make this recipe, don't forget to tag us on Instagram at @shannon_jones_team. We love seeing your culinary creations!

Ingredients:

- 8 roma (plum) tomatoes, diced
- 1/3 cup chopped fresh basil
- 1/4 cup shredded Parmesan cheese
- 2 cloves garlic, minced
- 1 tablespoon balsamic vinegar
- 1 teaspoon olive oil
- 1/4 teaspoon kosher salt
- 1/4 teaspoon freshly ground black pepper
- 1 loaf French bread, toasted and sliced

Directions:

In a bowl, toss together the tomatoes, basil, Parmesan cheese, and garlic. Mix in the balsamic vinegar, olive oil, kosher salt, and pepper. Serve on toasted bread slices.

